

**OFFICE OF THE INSPECTOR GENERAL
REVISED FISCAL YEAR 2021 BUDGET TESTIMONY**

The revised FY21 Budget and FY21-25 Plan focuses on providing core services and targeting reductions to areas with the least impact on vulnerable populations and areas where others can fund or deliver services.

DEPARTMENT FUNDING LEVELS

General Fund Financial Summary by Class					
	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Original Proposed Appropriations	FY21 Revised Proposed Appropriations	\$ Difference Original to Revised Proposed
Class 100 - Employee Compensation	\$1,577,241	\$1,639,223	\$1,609,223	\$1,347,481	(\$261,742)
Class 200 - Purchase of Services	\$97,975	\$97,975	\$97,975	\$97,975	\$0
Class 300/400 - Materials, Supplies & Equipment	\$5,225	\$5,225	\$35,225	\$5,225	(\$30,000)
	\$1,680,441	\$1,742,423	\$1,742,423	\$1,450,681	(\$291,742)

GENERAL FUND FULL-TIME POSITIONS

General Fund Full-Time Positions					
	FY20 Adopted Budget	November 2019 Increment Run	FY21 Original Proposed Budget	FY21 Revised Proposed Budget	Difference Original to Revised Proposed
Full-Time Positions	21	19	21	18	(3)

**OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR 2021 BUDGET TESTIMONY**

This testimony was prepared by the Office of the Inspector General after the onset of COVID-19 and its impact on City government operations. It reflects the revised proposed FY21 budget and the department's new operational plan. Additional post COVID-19 responses from the Department are listed in the next section.

DEPARTMENT MISSION & PLANS

Mission: The Office of the Inspector General's (OIG) goal is to keep City government free from all forms of corruption, fraud, and misconduct. OIG conducts both criminal and administrative investigations of all departments, agencies, commissions, and boards under the Mayor's jurisdiction, as well as individuals or companies that do business with the City or receive City funding. OIG has the power to issue subpoenas; examine all City documents, contracts, and monetary expenditures made from the City treasury; and, demand testimony from City employees. The OIG works with federal, state, and local law enforcement when reviewing issues related to criminal activity and serious cases of fraud and corruption. OIG's work also relies on the support of fellow Philadelphians who report allegations of wrongdoing in City government.

Plans for Fiscal Year 2021:

Our work, each year, begins with education and public engagement efforts. We lead a number of citywide training efforts and engage our community about the OIG's role in government and our commitment to protect the public's trust. These foundational initiatives create visible deterrents for potential bad actors and provide an outlet for engaged employees and citizens to raise integrity-related concerns. This, in turn, drives complaint activity and generates actionable investigations. Here, the OIG focuses on building effective partnerships across local, state and federal government in order to achieve productive case outcomes – together with the City's operating departments and law enforcement where needed.

In addition to our continued commitment to this overall model, we are specifically prioritizing:

- Enhanced case processing efficiency via internal policies and a new database;
- Enhanced communication across all levels of City government to improve responsiveness;
- Specific attention to ongoing criminal matters and contract/funding abuses; and,
- New partnerships with targeted City departments for improved integrity controls (OEO, Streets, L+I).

As our City government responds to the current health crisis, the OIG is also committed to supporting these response efforts in any way possible. Such efforts may include:

- Oversight programs for emergency City funding and/or support programs;
- Investigations related to economic abuses and City-wide enforcement;

Other targeted investigations that may be tailored to developing City programs; and, operations.

The tables in pages (3 through 9) below were prepared by the Office of the Inspector General after the onset of COVID-19 and its impact on City government operations.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2019)				
	Total	Minority	White	Female
Number of Full-Time Staff	20	9	11	10
Number of -Exempt Staff	20	9	11	10
Number of Executive Staff (deputy level and above)	4	0	4	2
Average Salary, Full-Time Staff	\$78,122	\$70,266	\$84,549	\$75,821
Average Salary, Exempt Staff	\$78,122	\$70,266	\$84,549	\$75,821
Average Salary, Executive Staff	\$126,137	n/a	\$126,137	\$135,192
Median Salary, Full-Time Staff	\$67,225	\$64,890	\$71,950	\$65,920
Median Salary, Exempt Staff	\$67,225	\$64,890	\$71,950	\$65,920
Median Salary, Executive Staff	\$117,081	n/a	\$117,081	\$135,192

Employment Levels (as of December 2019)		
	Budgeted	Filled
Number of Full-Time Positions	21	20
Number of Part-Time Positions	0	0
Number of Exempt Positions	21	20
Number of Executive Positions (deputy level and above)	4	4
Average Salary of All Full-Time Positions	\$78,122	\$78,122
Median Salary of All Full-Time Positions	\$66,950	\$66,950

General Fund Financial Summary by Class						
	FY19 Original Appropriations	FY19 Actual Obligations	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Proposed Appropriations	Difference: FY21-FY20
Class 100 - Employee Compensation	\$1,415,627	\$1,415,627	\$1,577,241	\$1,509,223	\$1,347,481	(\$261,742)
Class 200 - Purchase of Services	\$93,079	\$93,079	\$97,975	\$197,975	\$97,975	\$0
Class 300/400 - Materials, Supplies & Equipment	\$5,147	\$5,147	\$5,225	\$35,225	\$5,225	(\$30,000)
	\$1,513,853	\$1,513,853	\$1,680,441	\$1,742,423	\$1,450,681	(\$291,742)

Contracts Summary (Professional Services only)						
	FY17	FY18	FY19	FY20	FY21	FY20 YTD (Q1 & Q2)
Total amount of contracts	\$101,304	\$90,264	\$75,000	\$75,000	\$75,000	\$29,244
Total amount to M/W/DSBE	\$22,324	\$21,324	\$0	\$0	\$0	\$0
Participation Rate	22%	24%	0%	0%	0%	0%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY19	FY20	FY21
M/W/DSBE Contract Participation Goal	0%	0%	0%

PROPOSED BUDGET OVERVIEW

The proposed Fiscal Year 2021 General Fund budget totals \$1,450,681, a decrease of \$291,742 from Fiscal Year 2020 estimated obligation.

The proposed budget includes:

- \$1,347,481 in Class 100, a \$291,742 decrease from FY20 – due to the necessary reduction in staff/positions from the prior year.
- \$97,975 in Class 200, level with FY20. This funding will pay for our professional services contractor, support our fleet of City vehicles and cover administrative expenses.
- \$5,225 in Class 300/400, level with FY20. This funding will pay for additional administrative expenses.
- \$0 in Class 500, level with FY20.
- \$0 in Class 700, level with FY20.
- \$0 in Class 800, level with FY20.
- \$0 in Class 900, level with FY20.

STAFFING LEVELS

The department is requesting 18 budgeted positions for FY21, level with FY20.

NEW HIRES

New Hires (from 7/1/2019 to December 2019)	
	Total Number of New Hires
Black or African American	1
Total	1

Detail for new hires since December 2019, if applicable: N/A

PERFORMANCE, CHALLENGES, AND INITIATIVES

OFFICE OF THE INSPECTOR GENERAL

FY21 Strategic Goals				
<ul style="list-style-type: none"> Currently, the OIG has multiple ongoing criminal investigations, working in partnership with federal law enforcement. In FY21, the OIG anticipates significant productivity in this area, to include multiple indictments and convictions. Grow staff and yield measurable results, such as contract debarments (banning a contractor from City contracting opportunities for a specified period of time) and employment discipline, with the partnerships begun in FY20. 				
FY21 Performance Measures				
Measure	FY19 Actual	FY20 YTD (Q1 + Q2)	FY20 Target	FY21 Target
Administrative Actions (number of cases) ¹	38	30	30 to 50	30 to 50
Criminal Actions (number of cases) ²	9	2	10 to 20	10 to 20
Pension disqualification (number of cases) ³	2	3	N/A	N/A

¹ Targets are based on historical outputs over the last decade. These actions include any case that resulted in administrative discipline, like a suspension or demotion, not just those that resulted in termination.

² Targets are based on historical outputs over the last decade. "Criminal actions" include all criminal enforcement activities, such as initial charging events, convictions, and sentencing.

³ OIG does not project targets for this measure. Case intake is dependent on factors outside of the OIG's control, including the existence of wrongdoing in the first place. These are cases that are submitted to the Law Department for pension disqualification review.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

N/A

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY20											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBES	Total \$ Value Participation - All DSBES	Local Business (principal place of business located within City limits) <i>[yes / no]</i>	Waiver for Living Wage Compliance? <i>[yes / no]</i>
H.J. Sweeney	Investigation	\$71,500	6/1/2017	6/1/2019	MBE:	0%	\$0	0%	\$0	No	No
					WBE:	0%	\$0				
					DSBE:	0%	\$0				

Non-Profit Vendor Demographics: N/A

EMPLOYEE DATA

Staff Demographics (as of December 2019)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	4	3	<i>Total</i>	0	0
<i>% of Total</i>	20%	15%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$76,332	\$70,726	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$76,805	\$66,950	<i>Median Salary</i>	N/A	N/A
	White	White		White	White
<i>Total</i>	4	7	<i>Total</i>	2	2
<i>% of Total</i>	20%	35%	<i>% of Total</i>	50%	50%
<i>Average Salary</i>	\$96,003	\$78,005	<i>Average Salary</i>	\$117,081	\$135,192
<i>Median Salary</i>	\$92,190	\$50,000	<i>Median Salary</i>	\$117,081	\$135,192
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Asian	Asian		Asian	Asian
<i>Total</i>	2	0	<i>Total</i>	0	0
<i>% of Total</i>	10%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$57,445	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$57,445	N/A	<i>Median Salary</i>	N/A	N/A
	Other	Other		Other	Other
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Male	Female		Male	Female
<i>Total</i>	10	10	<i>Total</i>	2	2
<i>% of Total</i>	50%	50%	<i>% of Total</i>	50%	50%
<i>Average Salary</i>	\$80,423	\$75,821	<i>Average Salary</i>	\$117,081	\$135,192
<i>Median Salary</i>	\$74,925	\$65,920	<i>Median Salary</i>	\$117,081	\$135,192

LANGUAGE ACCESS

1. Has your leadership received language access training?

Yes.

2. Do you currently have a language access coordinator?

Yes.

3. Has your department written a language access plan and is it posted online?

Yes, although we are currently working to update the plan and it is therefore not online.

4. Explain what your department has done to improve language access services over the past year.

We have designated a new language access coordinator. We have made phone and in-person translation services available, when needed. We have focused our recruiting and hiring efforts on multi-lingual candidates.

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

At this time, we have not seen any significant change in our investigative work.

2. How might worsening climate change increase costs and demands for your department?

As City services change to address climate change, our work will necessarily evolve in parallel with those changes – our work is wholly dependent on and tailored to specific City operations.

3. How does your department intend to mitigate and adapt to climate change?

Most importantly, we internally message and require that all of our staff will be environmentally responsible – including our use of transportation, use of office supplies and waste management practices during the workday.

REVISED PLANS FOR FISCAL YEAR 2021

1. With the revised budget for FY21, what will your department accomplish in FY21?

To improve public confidence in City government, the OIG's overall strategy begins with education and public discourse. We take great care to educate all City employees and members of the public about the OIG's role and the model of good local government. Simultaneously, the Office is open about its case outcomes and seeks to publicize the OIG's work. These foundational steps have two desired effects: they create visible deterrents to those who may wish to engage in fraud, corruption, or misconduct; and raise awareness and give people an outlet to raise integrity-related concerns. This, in turn, drives complaint activity and generates actionable investigations. Here, the OIG focuses on building effective partnerships across local, state, and federal government, in order to achieve actionable case outcomes together with the City's operating departments and/or law enforcement, where needed.

2. With the revised budget for FY21, what existing programs or services will be reduced or eliminated?

The OIG has one programmatic focus - investigations of misconduct. Our ability to devote personnel to this program will necessarily be reduced.

3. With the revised budget for FY21, what planned, new services or programs will not happen?

The OIG remains committed to the same goals in FY21. We will continue to fulfill our mission and conduct investigations. Our team will be required to carry a higher caseload and we will have to realize new case management efficiencies.

REVISED PERFORMANCE MEASURES

The performance measures listed below were not updated by the OIG as part of the revised budget process.

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FY21 Performance Measures				
Measure	FY19 Actual	FY20 YTD (Q1 + Q2)	FY20 Target	FY21 Target
Administrative Actions (number of cases) ¹	38	30	30 to 50	30 to 50
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